

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6907

BILL NUMBER: HB 1115

NOTE PREPARED: Jan 5, 2013

BILL AMENDED:

SUBJECT: Alcoholic Beverages.

FIRST AUTHOR: Rep. Davis

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows an affiliate of a wholesaler that holds a carrier's alcoholic permit to provide logistic services that involve providing, documenting and coordinating delivery, transporting, preparing an order for, storing, or warehousing alcoholic beverages of any type.

The bill prohibits a carrier holding a carrier's alcoholic permit from providing logistic services unless the carrier:

- (1) enters into a written agreement with the wholesaler that is requesting the logistic services; and
- (2) charges a commercially reasonable fee.

The bill also requires a carrier who provides logistic services to provide annually to the Alcohol and Tobacco Commission a:

- (1) copy of all the written agreements with a wholesaler; and
- (2) report from a certified public accountant regarding payment for the logistic services.

The bill prohibits a carrier's alcoholic permit from being transferred if the carrier provides logistic services under the permit. It also prohibits employees of a carrier providing logistic services from providing any post delivery merchandising, sales, or other services to an alcoholic beverage retailer or dealer permittee.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC)* - This bill could increase the ATC's administrative expenditures by requiring the ATC to amend rules governing the issuance of carrier's

alcoholic permits. This bill requires that the ATC collect certain documentation and reports from carriers that provide logistics services. The bill's requirements are within the ATC's routine administrative functions and can be implemented within its existing level of resources.

Explanation of State Revenues: *Carrier's Alcoholic Permits* - This bill allows an affiliate of a beer, liquor, or wine wholesaler that holds a carrier's alcoholic permit to provide logistic services to beer, wine, and liquor wholesalers. The bill is not expected to have a significant impact on state revenue. However, it could affect the number of carrier's alcoholic permits issued. The annual license fee for a carrier's alcoholic permit is \$5. At the time of issuance, a carrier may also be required to execute and file with the ATC a surety bond in an amount not exceeding \$500.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Lauren Sewell, 317-232-9586.